



City Council Report

915 I Street, 1st Floor
Sacramento, CA 95814

www.cityofsacramento.org

File #: 2016-01135

December 6, 2016

Public Hearing Item 14

Title: (City Council/Housing Authority) Bel-Vue Apartments Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing, and Approval of Loan Commitment and Tax Exempt Bonds (Noticed 11/22/16)

Recommendation: Conduct a public hearing and upon conclusion pass 1) a City Council Resolution approving the issuance of obligations by the Housing Authority in the amount of \$4.5 million for the financing of Bel-Vue Apartments (Project); 2) a City Council Resolution a) approving a loan commitment of \$600,000 in City Home Investment Partnership (HOME) funds and \$2,100,000 in City Housing Trust Fund (HTF) funds, b) authorizing the Sacramento Housing and Redevelopment Agency (Agency) to execute a Loan Commitment Letter with Bel-Vue Apartments, L.P. (CFY Development, Inc. or Developer) or related entity, c) authorizing the Agency to execute all necessary documents associated with this transaction, d) authorizing the Agency to amend its budget, and e) making related findings; 3) a Housing Authority Resolution a) indicating the intention of the Housing Authority of the City of Sacramento to issue up to \$4,500,000 in tax-exempt mortgage revenue bonds to provide acquisition, construction and permanent financing for the Project, b) authorizing an application to the California Debt Limit Allocation Committee (CDLAC) for allocation authority to issue the bonds, and c) authorizing the Executive Director, or designee, to execute the necessary documents associated with the transaction; and 4) a Housing Authority Resolution: a) approving the loan commitment of \$600,000 in Housing Successor Funds for the Project, b) authorizing the Agency to amend its budget to allocate up to \$600,000 in Housing Successor Funds to the Project, and c) authorizing the Agency to enter into documents necessary to fulfill the intent of the loan commitment.

Location: 1123 8th Street, District 4

Contact: Christine Weichert, Assistant Director, (916) 440-1353; Tyrone Roderick Williams, Director of Development, (916) 440-1316, Sacramento Housing and Redevelopment Agency

Presenter: Terren Wing, Housing Finance Analyst, Sacramento Housing and Redevelopment Agency

Department: Sacramento Housing and Redevelopment Agency

Attachments:

- 01-Description/Analysis
- 02-Vicinity Map
- 03-Project Rendering
- 04-Project Summary
- 05-Cash Flow
- 06-Maximum Income and Rent Levels
- 07-City Resolution – TEFRA Hearing
- 08-City Resolution – Loan Commitment
- 09-Exhibit A: Loan Commitment Letter
- 10-Housing Authority Resolution – Tax Exempt Bonds
- 11-Housing Authority Resolution – Loan Commitment

Description/Analysis

Issue Detail: Bel-Vue Apartments (the “Project”) is an existing, vacant apartment building currently owned by the Redevelopment Agency Successor Agency. This parcel is to be sold to 800 Block Partners LLC with other parcels within the 800 block of K and L Streets, and this transaction is set to close by the end of December. 800 Block Partners LLC is to then sell the Bel Vue parcel to Bel-Vue Apartments, L.P. (the “Developer”). The property is located on approximately 0.17 acres at 1123 8th Street in downtown Sacramento. The building was built in 1909 and is listed as a landmark on both the Sacramento Historic Register and the National Historic Register. The building is to be rehabilitated and will contain 22 one-bedroom units, with community recreation space, resident services office, and on-site property management on the ground floor. There is also commercial retail space on the ground floor. A vicinity map is included as Attachment 2. A project rendering is included as Attachment 3.

The Developer has applied to the Agency for the issuance of up to \$4,500,000 in tax exempt mortgage revenue bonds, and a gap financing Agency loan of \$3,300,000. Additional project financing will include federal and historic rehabilitation tax credit equity, and a deferred developer fee. Units will be regulated at 30 and 60 percent of Area Median Income (AMI).

The Project is the substantial rehabilitation of the existing three story building, which is currently vacant and in an uninhabitable condition. The proposed rehabilitation will maintain the building’s historic integrity and conform to the Secretary of the Interior’s Standards for the Treatment of Historic Properties. Interior improvements will include elevator installation, structural retrofitting, new electrical, mechanical and plumbing systems, and installation of a full building security system. New flooring will be installed throughout common areas and in unit interiors. Individual unit improvements will include new heating, ventilation and air conditioning (HVAC) mini-split systems; cabinets, appliances, and countertops in kitchens; all new finishes and fixtures for bathrooms; and new lighting throughout. Each floor will have laundry facilities for resident use.

Exterior improvements will include replacing roofing and flashing systems, installation of solar systems and green features, refurbishing and repainting the historic windows, removing or covering non-historic brick and tile, and refurbishing and painting the existing historic features and elements. All character defining elements of the façade, including the historic brick and detailing, will be maintained.

Further information on the Project, Developer, property management, resident services, financing, and affordability requirements is included in the Background section. A project summary, including a proposed sources and uses of funds, is included in Attachment 4. A project cash flow proforma is included in Attachment 5, and a schedule of maximum rents is included in Attachment 6.

Policy Considerations: The recommended actions are consistent with: a) the Agency's previously approved Multifamily Lending and Mortgage Revenue Bond Policies, priority 4. Rehabilitation and new production (Resolution No. 2009-148); There is one exception regarding the Location policy (Section 1.2). The Bel-Vue is across the street from existing regulated low-income housing at the Hotel Berry, which has 104 SRO units; b) the 2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2013-415); c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); and d) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by year 2025 (Resolution No. 2015-282).

Economic Impacts: This multifamily residential project is expected to create 46.62 total jobs (26.4 direct jobs and 20.2 jobs through indirect and induced activities) and create \$3,884,700 in total economic output (\$2,367,967 of direct output and another \$1,516,733 of output through indirect and induced activities). The Developer will be encouraged to use the First Source Program, or similar program, for employment opportunities.

Environmental Considerations:

California Environmental Quality Act (CEQA): The project has been determined to be categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301, "Existing Facilities" and Section 15331 "Historic Resource Rehabilitation."

Sustainability Considerations: The Project has been reviewed for consistency with the goals, policies, and targets of the 2035 General Plan. If approved, the project will advance the following goals, policies, and targets that will directly or indirectly conserve energy resources and reduce greenhouse gas emissions, in part, from 2035 General Plan: Housing Element – Strategies and Policies for Conserving Energy Resources – Climate Action Plan, subsection 7.2: The Sacramento Climate Action Plan (CAP) outlines measures to improve energy efficiency in existing buildings.

Other: The project is in the process of being reviewed for compliance with the National Environmental Policy Act (NEPA) and will be determined to be categorically excluded subject to §58.5 pursuant to 24 CFR §58.35(a)(3)(ii). NEPA review will be completed prior to project funding.

Commission Action: At its meeting on November 16, 2016, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Creswell, Griffin, Morgan, Raab, Simas, Staajabu

NOES: none

ABSENT: Alcalay, Johnson, Macedo, Rios

ABSTAIN: Painter

Rationale for Recommendation: The actions recommended in this report enable the Agency to continue to fulfill its mission to provide a range of affordable housing opportunities in the City and are consistent with the Agency's previously approved Multifamily Lending and Mortgage Revenue Bond Policies, the City of Sacramento's 2013-2021 Housing Element, Promise Zone plans and goals, and the Downtown Housing Initiative and Initiation of the Downtown Specific Plan.

Financial Considerations: The Agency will receive a one-time issuance fee of 0.25 percent of the bond amount, which is payable at bond closing, and annual payment for monitoring the regulatory restrictions and administration of the bonds, in the amount of 0.15 percent of the bond amount for the term of 55 years. The Developer will be responsible for payment of all costs, fees, and deposits relating to the bond application. Mortgage revenue bonds do not represent a financial obligation of the Agency, Housing Authority, or City of Sacramento. The Agency financing consists of an Agency loan of \$600,000 in City HOME funds, \$2,100,000 in City HTF funds and \$600,000 in Housing Successor Funds. The Loan Commitment is included as Exhibit A to the attached City Council Resolution.

M/WBE/Section 3 and First Source Considerations: Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent applicable. Developer will be encouraged to use the First Source Program, or similar program, for employment opportunities. Local Business Enterprise does not apply to this report.

Bel-Vue Apartments Background Information

Description of Development: Bel-Vue Apartments, L.P. (CFY Development, Inc.) proposes to rehabilitate Bel-Vue Apartments (Project), an existing, vacant 22-unit apartment complex at 1123 8th Street. The Developer is requesting a \$3,300,000 Agency loan for the rehabilitation.

Developer: CFY Development, Inc. (CFY) is an experienced owner and manager of affordable rental housing projects. CFY has more than 30 years of experience in affordable housing and has partnered with the Agency on a number of previous projects. CFY owns and operates 38 communities in 22 cities across California, consisting of approximately 3,300 units. They have extensive experience in financing projects with tax credits, tax exempt bonds, and other public and private funding sources.

Property Management: The Project will be managed by CFY Development, Inc., an experienced property management firm with over 30 years of experience operating affordable apartment communities. Agency staff has reviewed and approved the management plan, including daily operations, leasing procedures, maintenance, and eviction procedures, to ensure the company meets Agency requirements for property management.

Resident Services: Resident services will be provided by LifeSTEPS, Inc. which currently provides resident services to 250 affordable housing communities and over 80,000 residents in California. LifeSTEPS will be required to provide at least 10 hours of services per week, to be shared between Bel-Vue and Ridgeway Studios, which is located at 914 12th Street, less than .5 mile away. Programs will be tailored to the needs of the residents. Agency staff has reviewed and approved LifeSTEPS' resident services plan detailing the scope and schedule of services to be provided. Services will be provided by an on-site services coordinator and will include social services and enrichment programs.

Project Financing: The Project's anticipated financing will include a combination of four percent Low Income Housing Tax Credits (LIHTC), Historic Rehabilitation Tax Credits, tax-exempt bond financing, a deferred developer fee, an Agency loan of \$3,300,000, consisting of \$600,000 in City HOME funds, \$2,100,000 in City HTF funds and \$600,000 in Housing Successor Funds.

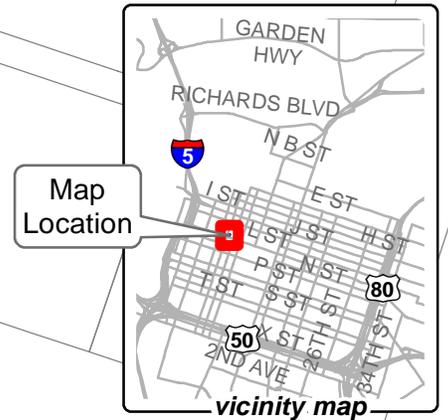
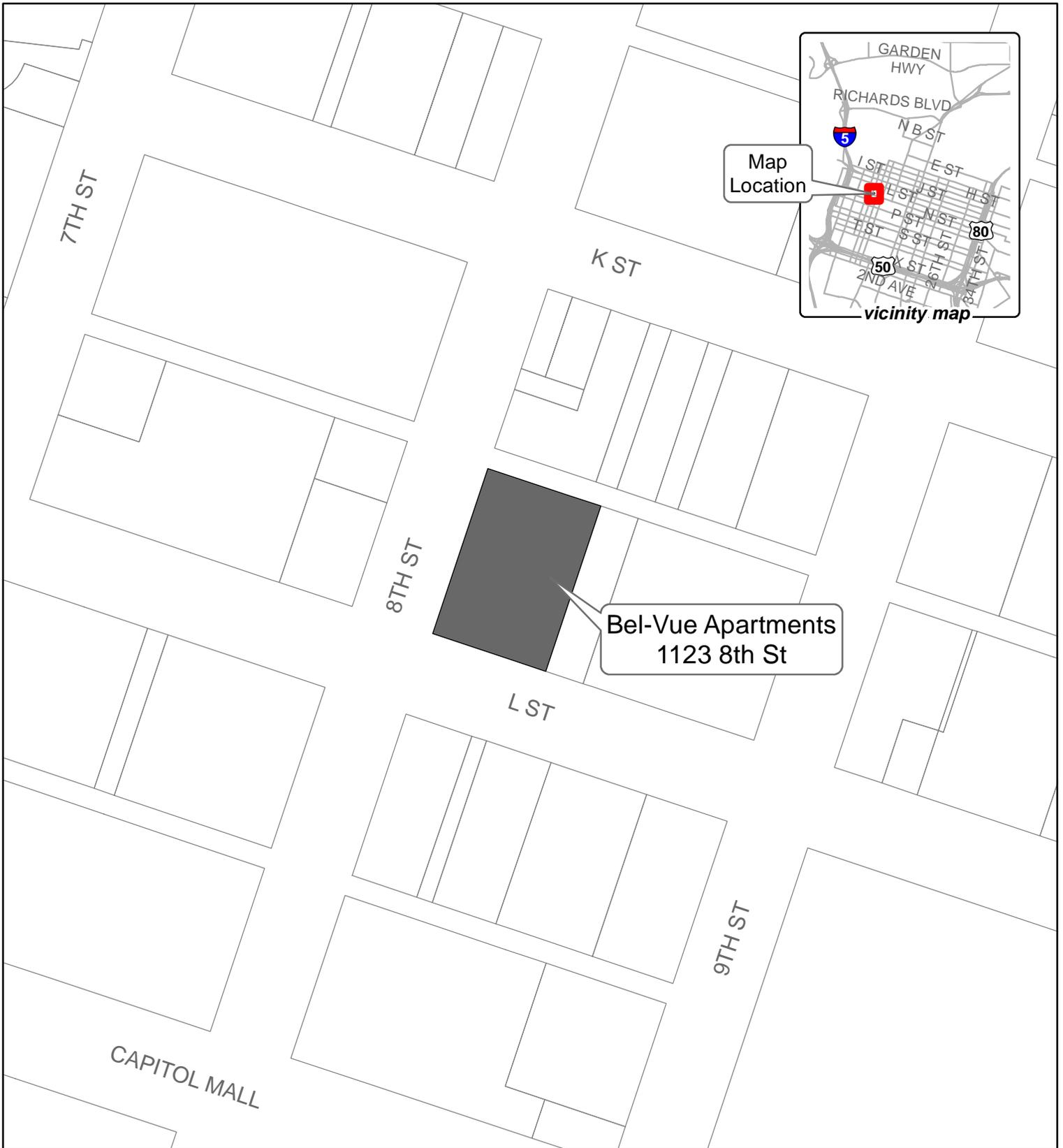
The law firm of Orrick, Herrington and Sutcliffe LLP, will serve as Bond Counsel to the Housing Authority. Funding sources and uses are provided in the Project Summary as Attachment 4. A Cash Flow Proforma is provided as Attachment 5.

Low-Income Set-Aside Requirements: As a condition of receiving tax credits and the benefits of tax-exempt bond financing, federal law requires that apartments be set-aside for targeted income groups. Income restrictions from LIHTC financing require that no households have income higher than 60 percent Area Median Income (AMI). The Agency further requires that 20 percent of the units be restricted to households with income no greater than 50 percent AMI. Maximum rent and income limits can be found in Attachment 6. Project affordability restrictions will be specified in regulatory agreements with the Developer. These anticipated sources and their affordability requirements are summarized in the following table:

Unit Type	% of Units	Affordability Restrictions	Units	Regulatory Requirements
Low Income Housing Tax Credits, Tax-exempt Bonds and Agency loan	23%	Extremely Low (30% AMI)	5	55 years
Low Income Housing Tax Credits, Tax-exempt Bonds and Agency loan	72%	Low (60% AMI)	16	55 years
Manager's Unit	5%	Unrestricted	1	
Total	100%		22	



Bel-Vue Apartments



1123 8th St



Bel-Vue Apartments
Project Rendering



Bel-Vue Apartments
Residential Project Financial Summary

Address	1123 8th Street, Sacramento, CA 95814		
Number of Units	22		
Year Built	1909		
Construction Type	Rehabilitation		
Acreage	0.17		
Affordability	5 units at or below 30% of AMI 16 units at or below 60% of AMI 1 unregulated Manager's Unit		
Unit Mix and Rents	(30% AMI)	(60% AMI)	Manager
1 Bedroom / 1 Bath	5	16	1
TOTAL	5	16	1
Square Footage	<i>Per Unit</i>	<i>Total</i>	
1 Bedroom / 1 Bath	575	12,650	square feet
Common Areas		1,707	square feet
TOTAL		14,357	square feet
Resident Facilities	The project includes laundry facilities, community recreation room/lounge, on-site management, classroom and ground floor retail.		
Permanent Sources	<i>Current Total</i>	<i>Per Unit</i>	<i>Per Sq Ft</i>
Federal Tax Credit Equity	\$ 1,782,225	\$ 81,010	\$ 124.14
Historic Tax Credit Equity	\$ 931,520	\$ 42,342	\$ 64.88
Agency Loan	\$ 3,300,000	\$ 150,000	\$ 229.85
Mortgage Revenue Bonds	\$ 1,298,146	\$ 59,007	\$ 90.42
Deferred Developer Fee	\$ 150,172	\$ 6,826	\$ 10.46
TOTAL SOURCES	\$ 7,462,063	\$ 339,185	\$ 519.75
Permanent Uses			
Acquisition	\$ 1,000,000	\$ 45,455	\$ 69.65
Construction	\$ 3,884,700	\$ 176,577	\$ 270.58
Permits and Fees	\$ 175,000	\$ 7,955	\$ 12.19
Architecture and Engineering	\$ 375,000	\$ 17,045	\$ 26.12
Soft Cost Contingency	\$ 75,000	\$ 3,409	\$ 5.22
Hard Cost Contingency	\$ 503,250	\$ 22,875	\$ 35.05
Financing Costs	\$ 326,300	\$ 14,832	\$ 22.73
Operating Reserves	\$ 122,550	\$ 5,570	\$ 8.54
Legal Fees	\$ 140,000	\$ 6,364	\$ 9.75
Developer Fee	\$ 712,844	\$ 32,402	\$ 49.65
Insurance, Third Party, Marketing, Other	\$ 147,419	\$ 6,701	\$ 10.27
TOTAL USES	\$ 7,462,063	\$ 339,185	\$ 519.75
Management / Operations	Ali Youssefi/Egis Group CFY Development, Inc.		
Proposed Developer:	Ali Youssefi/Egis Group		
Property Management Company:	CFY Development, Inc.		
Operations Budget:	\$ 112,000	\$ 5,091	
Assessments:	\$ 30,000	\$ 1,364	
Property Management	\$ 11,880	\$ 540	
Resident Services:	\$ 12,600	\$ 573	
Replacement Reserves:	\$ 6,600	\$ 300	

Unit Type	Number	Square Feet	Total Sq Feet	Gross Rent	Utility Allowance	Maximum Net Rent	Rent per Sq Foot
1 BD / 1 BA @ 30% AMI	5	575	2,875	\$ 390.00	\$ 53	\$ 337	\$ 0.59
1 BD / 1 BA @ 60% AMI	16	575	9,200	\$ 781.00	\$ 53	\$ 728	\$ 1.27
Manager's Unit (unregulated)	1	575	575	\$ 781.00	\$ 53	\$ 728	\$ 1.27
Totals/Averages	22	575	12,650				

	rate	annual increase	per unit	2018 Year 1	2019 Year 2	2020 Year 3	2021 Year 4	2022 Year 5	2027 Year 10	2032 Year 15	2037 Year 20	2042 Year 25	2047 Year 30
Income													
Potential Rental Income		2.50%		168,732	172,950	177,274	181,706	186,249	210,723	238,414	269,743	305,190	345,294
Potential Retail Income		2.50%		220,373	225,882	231,529	237,318	243,251	275,216	311,381	352,299	398,594	450,973
Other Income		2.50%		2,112	2,165	2,219	2,274	2,331	2,638	2,984	3,376	3,820	4,322
Less Rental Vacancy	5.00%			(8,542)	(8,756)	(8,975)	(9,199)	(9,429)	(10,668)	(12,070)	(13,656)	(15,450)	(17,481)
Less Retail Vacancy	50.00%			(110,187)	(112,941)	(115,765)	(118,659)	(121,625)	(137,608)	(155,691)	(176,150)	(199,297)	(225,486)
Effective Gross Income				\$272,488	\$279,301	\$286,283	\$293,440	\$300,776	\$340,301	\$385,019	\$435,613	\$492,857	\$557,622
Operating Expenses													
Operating Expenses		3.50%	5,091	112,000	115,920	119,977	124,176	128,523	152,645	181,294	215,320	255,733	303,730
Assessments		2.00%	1,364	30,000	30,600	31,212	31,836	32,473	35,853	39,584	43,704	48,253	53,275
Property Management		3.50%	540	11,880	12,296	12,726	13,172	13,633	16,191	19,230	22,839	27,126	32,217
Resident Services		3.50%	573	12,600	13,041	13,497	13,970	14,459	17,173	20,396	24,224	28,770	34,170
Replacement Reserves			300	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600
Total Expenses			7,867	\$173,080	\$178,457	\$184,013	\$189,754	\$195,687	\$228,461	\$267,104	\$312,687	\$366,482	\$429,992
Net Operating Income				\$99,408	\$100,844	\$102,270	\$103,686	\$105,089	\$111,840	\$117,915	\$122,926	\$126,375	\$127,630

	amount	rate	amort										
Debt Service													
Senior Loan	\$1,298,146	5.00%	35	78,619	78,619	78,619	78,619	78,619	78,619	78,619	78,619	78,619	78,619
SHRA Monitoring Fee	\$3,783,920	0.15%		5,676	5,676	5,676	5,676	5,676	5,676	5,676	5,676	5,676	5,676
Debt Service Subtotal				\$84,295	\$84,295	\$84,295	\$84,295	\$84,295	\$84,295	\$84,295	\$84,295	\$84,295	\$84,295
DCR on Senior Bonds				1.18	1.20	1.21	1.23	1.25	1.33	1.40	1.46	1.50	1.51

Priority Distributions													
Limited Partner Management Fee		3.00%		2,500	2,575	2,652	2,732	2,814	3,262	3,781	0	0	0
Managing General Partner Fee		3.00%		7,500	7,725	7,957	8,195	8,441	9,786	11,344	13,151	0	0
Priority Distributions Subtotal				10,000	10,300	10,609	10,927	11,255	13,048	15,126	13,151	0	0
Net Cash after Priority Distributions				\$5,113	\$6,249	\$7,366	\$8,464	\$9,539	\$14,497	\$18,494	\$25,480	\$42,080	\$43,335

Deferred Developer Fee													
Principal Balance	\$150,172	0.00%		150,172	150,172	143,923	136,557	128,093	70,172	0	0	0	0
Payment				5,113	6,249	7,366	8,464	9,539	14,497	0	0	0	0
Balance				\$145,059	\$143,923	\$136,557	\$128,093	\$118,554	\$55,675	\$0	\$0	\$0	\$0
Net Cash after Deferred Developer Fee				\$0	\$0	\$0	\$0	\$0	\$0	\$18,494	\$25,480	\$42,080	\$43,335

SHRA loan													
Principal Balance	\$3,300,000	4.00%		3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
Interest for Period				132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000	132,000
Accumulated Interest				132,000	264,000	396,000	528,000	660,000	1,320,000	1,980,000	2,575,347	3,138,264	3,690,233
Payment				0	0	0	0	0	0	0	18,144	21,018	22,063
Balance				\$3,432,000	\$3,564,000	\$3,696,000	\$3,828,000	\$3,960,000	\$4,620,000	\$5,280,000	\$5,857,203	\$6,417,247	\$6,968,169

Bel-Vue Apartments
Cash Flow Proforma

Attachment 5

MAXIMUM HOME RENT AND INCOME LEVELS 2016
Rents at 30%, 40%, 50% and 60% of Area Median Income

Maximum Income Limits:

Family Size	Max Income			
	30% AMI	40% AMI	50% AMI	60% AMI
1 person	\$ 14,580	\$ 19,440	\$ 24,300	\$ 29,160
2 person	\$ 16,680	\$ 22,240	\$ 27,800	\$ 33,360
3 person	\$ 18,750	\$ 25,000	\$ 31,250	\$ 37,500

Maximum Rent Limits:

Low Income Housing Tax Credits (LIHTC's)/HOME/HTF/MRB

Unit Size	Gross Rent			
	30% AMI	40% AMI	50% AMI	60% AMI
1 bedroom	\$ 390	\$ 521	\$ 651	\$ 781

RESOLUTION NO. 2016-_____

Adopted by the Sacramento City Council

on date of

BEL-VUE APARTMENTS: APPROVAL OF THE ISSUANCE OF OBLIGATIONS BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON BEHALF OF BEL-VUE APARTMENTS, L.P., A CALIFORNIA LIMITED PARTNERSHIP

BACKGROUND

- A. The Housing Authority of the City of Sacramento, a housing authority organized and existing under the laws of the State of California (Authority), proposes a plan of financing for the issuance of multifamily housing revenue obligations (Obligations) in an amount not to exceed \$4,500,000 and to lend the proceeds thereof to Bel-Vue Apartments, L.P., (Borrower) or a partnership created by CFY Development, Inc. (Developer), consisting at least of the Developer or a related person to the Developer and one or more limited partners, to be used to provide funds for the acquisition, rehabilitation and development of a 22-unit multifamily housing residential facility to be located at 1123 8th Street, Sacramento, California, to be owned by the Borrower and operated by CFY Development, Inc.
- B. Section 147(f) of the Internal Revenue Code of 1986 requires the execution and delivery of the Obligations to be approved by the City Council of the City (City Council), as the elected representatives of the City of Sacramento and the host jurisdiction of the subject multifamily housing residential facility, after a public hearing has been held following reasonable and proper notice.
- C. A public hearing was held by the City Council on the 6th day of December, 2016, following duly published notice thereof, and all persons desiring to be heard have been heard.
- D. It is in the public interest and for the public benefit that the City Council, as the elected representative of the City of Sacramento and the host jurisdiction of the subject multifamily housing residential facility, approve the execution and delivery by the Authority of the Obligations.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Council of the City of Sacramento hereby finds, determines and declares that issuance by the Authority of the Obligations in the maximum principal amount of \$4,500,000 for the purposes described above is hereby approved.

Section 2. This resolution shall take effect immediately upon its adoption.

RESOLUTION NO. 2016 -

Adopted by the Sacramento City Council

on date of

BEL-VUE APARTMENTS: APPROVAL OF \$600,000 IN CITY HOME INVESTMENT PARTNERSHIP (HOME) FUNDS, AND \$2,100,000 IN CITY HOUSING TRUST FUNDS (HTF); EXECUTION OF LOAN COMMITMENT AND RELATED DOCUMENTS WITH BEL-VUE APARTMENTS, L.P. (CFY DEVELOPMENT, INC.) OR RELATED ENTITY; RELATED BUDGET AMENDMENT; AND ENVIRONMENTAL FINDINGS

BACKGROUND

- A. Bel-Vue Apartments L.P. (CFY Development, Inc. or Developer) has applied for an allocation of \$600,000 in HOME funds, \$2,100,000 in HTF funds and \$600,000 in Housing Successor Funds to assist in funding the acquisition, rehabilitation and permanent financing of the currently vacant, 22-unit Bel-Vue Apartments (the "Project").
- B. The Project is consistent with a) the Agency's previously approved Multifamily Lending and Mortgage Revenue Bond Policies, priority 4. Rehabilitation and new production (Resolution No. 2009-148); b) the 2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2013-415); c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); and d) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by year 2025 (Resolution No. 2015-282).
- C. The Project has been determined to be categorically exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, "Existing Facilities", and Section 15331 "Historic Resource Rehabilitation".
- D. The Project has been reviewed for compliance with the National Environmental Policy Act (NEPA) will be categorically excluded subject to §58.5 pursuant to 24 CFR §58.35(a)(3)(ii) . NEPA review will be completed prior to project funding.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. All of the evidence having been duly considered, the facts as presented and stated above, including the environmental facts and findings, as stated above, are found to be true and correct.
- Section 2. The Loan Commitment, attached as (Exhibit A), for financing the Project with \$600,000 in City HOME funds and \$2,100,000 in City HTF funds is approved, and the Agency is delegated authority to execute and transmit the Loan Commitment to Bel-Vue Apartments L.P. (CFY Development, Inc.) or related entity.
- Section 3. The Agency is authorized to enter into and execute other documents, as approved to form by Agency Counsel, and perform other actions necessary to fulfill the intent of the Loan Commitment that accompanies this resolution, in accordance with its terms, and to ensure proper repayment of the Agency funds including without limitation, subordination, extensions consistent with Agency adopted policy and with this resolution.
- Section 4. The Agency is authorized to amend its budget and allocate up to \$600,000 in HOME funds and \$2,100,000 in HTF funds to the Bel-Vue Project.

TABLE OF CONTENTS:

Exhibit A – Loan Commitment Letter

Date: December 6, 2016

CFY Development, Inc.
c/o Ali Youssefi
1006 4th Street, Suite 701
Sacramento, CA 95814

RE: Conditional Loan Commitment for Bel-Vue Apartments

Dear Mr. Youssefi:

On behalf of the Sacramento Housing and Redevelopment Agency (Agency), we are pleased to advise you of its commitment of permanent loan funds (Loan) comprised of \$600,000 in City Home Investment Partnership (HOME) funds, \$2,100,000 in City Housing Trust Funds (HTF) and \$600,000 in Housing Successor Funds for the purpose of financing the acquisition, rehabilitation and development of certain real property known as Bel-Vue Apartments, located at 1123 8th Street, Sacramento, California (Property). **The Agency's decision is based on your application, and all representations and information supplied by you to it. If these representations and information change in a material manner without written approval of the Agency, this commitment is void.** Agency's obligation to make the Loan is subject to the satisfaction of all the following terms and conditions and Borrower's execution of documentation that is in a form and in substance satisfactory to the Agency.

The Loan shall be made on standard Agency loan documents. No loan terms not in this funding commitment and the attached loan document forms shall be included in the final loan documents without additional environmental review and governing board approval. In the event of any discrepancies between terms stated in this commitment and the loan documents, the terms stated in the loan commitment letter shall be deemed to be terms of this commitment.

Unless otherwise agreed in writing by the Agency in exercise of its absolute discretion, the following shall be considered conditions to Agency approval of a financing commitment. The Agency may, in exercise of its absolute discretion, modify its requirements upon written notice to Borrower given at least sixty (60) days prior to close of escrow for the Property.

This commitment will expire December 6, 2017.

1. PROJECT DESCRIPTION: Bel-Vue Apartments (Project) is an existing, vacant 22-unit development located in the Downtown area of Sacramento. Built in 1909, the Project is listed as an historic landmark in the Sacramento Register and has been nominated for listing on the National Register. The three-story building will consist of 21 one-bedroom units and one manager's unit. On-site amenities will include a community recreation space, resident services office, and on-site property management. There will be commercial retail space on the ground floor.
2. BORROWER: The name of the Borrower for the Loan is Bel-Vue Apartments, L.P., a California limited partnership (CFY Development, Inc., or related entity).
3. PURPOSE OF LOAN: The Loan is to be used by Borrower solely to pay the costs of acquisition, rehabilitation, development, and for such other purposes as Agency expressly agrees to in the loan agreement for the Loan, and such other agreements as may be generally required by the Agency for the use of the funding source for the Loan.
4. PRINCIPAL AMOUNT: The combined principal amount of the Loan will be the lesser of (a) \$600,000 in City Home Investment Partnership (HOME) funds, \$2,100,000 in City Housing Trust Funds (HTF) and \$600,000 in Housing Successor Funds or (b) an amount to be determined prior to close of the Loan based on a project budget approved by Agency.
5. TERM OF LOAN: The Loan shall mature 42 years or 504 months from the date of closing, at which point any and all unpaid principal and interest on the loan will be due and payable.
6. INTEREST RATE: The Loan will bear simple interest at four percent (4%) per annum. Interest shall be calculated on the basis of a 365-day year and actual number of days elapsed.
7. ANNUAL REPAYMENT: Annual principal and interest payments shall be deferred from the Loan's Effective Date through the first 204 months. Beginning in month 205 annual installments shall be made in amount not to exceed the payment schedule contained in the Loan Agreement, calculated to achieve an annual 1.2 debt coverage ratio including all loans senior to the Loan and SHRA fee and the Limited Partner Management fee and the Managing General Partner Fee, if applicable. Annual payments shall be applied first to outstanding interest accrued and unpaid and then to principal.
8. SOURCE OF LOAN FUNDS: Agency is making the Loan from the following sources of funds, and the Loan is subject to all requirements related to the use of such, whether Agency requirements or otherwise: City HOME, HTF and Housing Successor Funds. This Loan is conditioned upon Borrower's acceptance of Agency's requirements and conditions related to such lending programs and funding sources, including, among others, the required forms of agreements for the Loan; the requirements for covenants, conditions and restrictions upon the Property; and insurance and indemnity requirements.

Borrower acknowledges that, as a condition of the Agency's making of the Loan, the Property will be subject to restrictions on future sales and rentals which may result in less income to Borrower than could otherwise be realized, and that such restrictions run with the land, and during their operational term, will bind all successors in interest.

_____ (Borrower Initial)

9. ACCELERATION: Agency shall have the right to accelerate repayment of the Loan in the event of a default under any Loan Document or upon sale, transfer or alienation of the Property except as specifically provided for in the Loan documents.
10. SECURITY: The Loan shall be evidenced by promissory note(s) secured by a deed of trust with assignment of rents against the fee and/or leasehold interest in the Property and Improvements, which shall be a lien upon the Property and Improvements subject only to liens senior to the Agency's lien securing loans from a lender and syndicator selected by Borrower and such other items as the Agency may approve in writing. The Loan shall also be secured by security agreements. The Agency may subordinate said deeds of trust in order to accommodate completion of rehabilitation of the Property.
11. NONRECOURSE: Notwithstanding any provision of this commitment or any document evidencing or securing this Loan, Borrower, and Borrower's principals, partners, members, agents, officers, and successors in interest shall not be liable for the payment of the Loan or any obligation of the Loan.
12. LEASE AND RENTAL SCHEDULE: All leases of the Property and Improvements shall be subject to Agency's review and approval prior to execution. Borrower shall not deviate from the rental schedule presented in Borrower's application for the Loan without Agency's prior written approval; provided, however, that such approval shall not be required for annual adjustments to rental rates as permitted by the California Tax Credit Allocation Committee.
13. PROOF OF EQUITY: Borrower shall provide proof of equity for the Property and Improvements in the amount of no less than \$1,782,225 in Low Income Housing Tax Credit Equity, no less than \$931,520 in Historic Rehabilitation Tax Credit Equity, and no less than \$150,172 in deferred developer fee. If LIHTC and Historic Tax Credit equity goes below \$2,713,745 it must be offset by an increase in deferred developer fee.
14. OTHER FINANCING: Borrower, as a requirement of the Loan, shall procure and deliver to Agency evidence satisfactory to Agency that Borrower has obtained the following described financing which may be secured by a lien upon the Property and Improvements superior or subordinate to Agency's liens, and which shall be otherwise on terms and conditions acceptable to Agency:
 - (a) As a condition precedent to disbursement of the remainder of the Agency loan, construction financing from a private lender(s) in an amount(s) sufficient to complete

construction of the Property according to a scope of work as approved by Agency and made for a term not less than that specified in the Schedule of Performances for completion of construction, and in any event not less than the time necessary to fulfill all conditions precedent to funding of the permanent financing.

(b) Commitments for permanent financing sufficient to “take out” all liens senior to the Agency’s lien.

(c) Such commitments for financing shall not require modification of Agency loan documents, or any term of this commitment letter.

15. EVIDENCE OF FUNDS: Prior to the first disbursement of the Loan, Borrower must demonstrate evidence of adequate and assured funding to complete the development of the Project in accordance with the Agency's requirements. Borrower's evidence of available funds must include only one or more of the following: a) Borrower equity; b) firm and binding commitments for the Project from financial institution(s) or from other lender(s) approved by Agency in its absolute discretion; and c) Agency’s contribution, provided, however, that Agency is not obligated by this letter to make any contribution not stated in the terms of the letter.
16. LOAN IN BALANCE: Borrower will be required to maintain the Loan "in balance". The Loan is "in balance" whenever the amount of the undisbursed Loan funds, the remaining sums to be provided by the Borrower and the loan funds from other project lenders or the equity investor are sufficient, in the sole judgement of the Agency, to pay for the remainder of the work to be done on the Project as required by written agreement with the Agency. Should the Agency determine that the Loan is not "in balance", the Agency may declare the Loan to be in default.
17. SOILS AND TOXIC REPORTS: Borrower/Grantee has submitted to the Agency a hazardous substances report made in accordance with the American Society for Testing and Materials "Standard Practice for Environmental Site Assessments; Phase I Environmental Site Assessment Process" (Designation E1527-13) prepared by a licensed or registered environmental engineer or other qualified party prior to Loan/Grant closing. Borrower/Grantee must, as a condition of disbursement of Loan/Grant funds, give assurances satisfactory to the Agency that hazardous materials are not present on the Property or that any hazardous materials on the Property have been remediated, including but not limited to, a No Further Action Letter from the Sacramento County Environmental Management Department, and that no further remediation is then required by the environmental agency having responsibility for monitoring such remediation.
18. PLANS AND SPECIFICATIONS: Final plans and specifications, if any, for the Project must be in accordance with the proposal approved as part of the Loan application. Final plans and specifications will be subject to Agency's final approval prior to the disbursement of Agency Loan funds. Borrower must obtain Agency's prior written consent to any change in the approved plans and specifications or any material deviation in construction of the Project.

The Final Plans shall incorporate all related mitigation measures required, if any, for compliance with approvals under CEQA, and/or NEPA, the U.S. Department of Housing and Urban Development, or as outlined in the Programmatic Agreement with the California Office of Historic Preservation's State Historic Preservation Officer, as conditions of approval of the project. Final plans and specification must meet the criteria for the Secretary of the Interior's Standards for Rehabilitation (36 CFR 67).

19. ARCHITECTURAL AGREEMENT: The architectural agreement (Agreement), if any, for the preparation of the plans and specifications and other services shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Agreement as security for the Loan.
20. CONSTRUCTION CONTRACT: The construction contract (Contract), if any, and any change orders issued thereunder, and the contractor (Contractor) to be retained by Borrower to construct the Improvements shall be subject to Agency's approval. Agency may require an assignment of Borrower's interest in and to the Contract as security for the Loan. Agency may require Contractor to provide a performance and payment bond in a form acceptable to Agency for the amount of the Contract.
21. RETENTION AMOUNT: The Agency shall retain ten percent (10.0%) as retention from each disbursement, not to exceed a total of ten percent (10.0%) of the total amount of the Loan.
22. COST BREAKDOWN: Borrower shall deliver to Agency for Agency's approval prior to commencement of work a detailed cost breakdown of the cost of constructing, financing and other costs of developing the Improvements. The breakdown shall conform to the Project plans and specifications and the budget approved with this commitment.

Agency shall make disbursements of the Loan based on a cost breakdown that lists line items in cost categories. Agency shall require that Borrower provide documentation supporting all requests for disbursement of Loan funds, including proof of work done and actual expenditure. Agency shall conduct inspections of the Property to assure that the work was done before making a disbursement.

23. COST SAVINGS: At completion of construction, Borrower shall submit to Agency a cost certification prepared by a qualified, independent auditor acceptable to Agency. The cost certification shall indicate the amounts actually spent for each item in the cost breakdown and shall indicate the final sources of funding. If there is an aggregate savings, in the total of all such cost breakdown items from the cost breakdown items in the original budget approved by the Agency, after adjusting for any decrease in any funding source including any loss of any equity investment due to an adjustment in the allowable tax credits, the Agency shall withhold for itself as loan repayment, one-half of such savings from the amount of retention then held by the Agency, and the Loan balance shall be reduced by the amount so withheld. The Agency, in its sole discretion, shall determine any reduction and/or repayment

of the Agency loan based upon this cost certification and the original approved budget for the Project.

24. START OF CONSTRUCTION: Borrower shall commence construction at the earliest possible date subject to the conditions of this Agency and other involved lenders, but no later than sixty (60) days following the close of construction financing.
25. COMPLETION OF CONSTRUCTION: Borrower shall complete the construction of the Improvements no later than 24 months following the close of construction financing.
26. SECURITY CAMERAS AND OUTSIDE LIGHTING: Project shall include installation of a security camera system at vehicular driveways and additional exterior lighting, all as approved by the Agency.
27. INSURANCE PROVIDER: Each policy of insurance required under the Loan shall be obtained from a provider licensed to do business in California and having a current Best's Insurance Guide rating of A+ VII, which rating has been substantially the same or increasing for the last five (5) years, or such other equivalent rating, as may reasonably be approved by Lender's legal counsel.
28. HAZARD INSURANCE: Borrower shall procure and maintain fire and extended coverage insurance and during construction Builder's Risk completed value insurance in a form and substance approved by Agency. Coverage shall be for protection against loss of, or damage to the Improvements or materials for their construction to their full insurable value. Borrower shall also procure and maintain insurance against specific hazards affecting Agency's security for the Loan as may be required by Agency, governmental regulations, or any permanent lender. All such policies shall contain a standard mortgagee loss payable clause in favor of Agency. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000.00).
29. PUBLIC LIABILITY AND OTHER INSURANCE: Borrower must procure and maintain public liability and property damage insurance (with Agency named as additional insured) in a form approved by Agency. Coverage must be approved by Agency and must be in at least the following limits of liability: (1) Commercial General Liability insurance in Insurance Services Office (ISO) policy form CG 00 01 Commercial General Liability (Occurrence) or better with limits of liability, which are not less than \$1,000,000, per occurrence limit; \$5,000,000 general aggregate limit, and \$5,000,000 products and completed operations aggregate limit, all per location of the Project; (2) Property damage liability of \$1,000,000 each occurrence, \$1,000,000 single limit and \$1,000,000 aggregate; (3) Contractual liability for Bodily Injury of \$1,000,000 each occurrence, for Property Damage of \$1,000,000 each occurrence and \$1,000,000 aggregate, and Personal Injury with Employment Exclusion Deleted of \$1,000,000 aggregate; and (4) Comprehensive Automobile Liability for any vehicle used for or in connection with the Work of \$1,000,000. The insurance required shall be written with a deductible of not more than TEN THOUSAND DOLLARS (\$10,000).

Borrower must also procure and maintain workers' compensation and all other insurance required under applicable law, as required by law and as approved by Agency.

30. TITLE INSURANCE: Borrower must procure and deliver to Agency an ALTA Lender's Policy of Title Insurance, together with such endorsements as Agency may require, including but not limited to CLTA endorsement nos. 100, 116 and 102.5/102.7 insuring Agency in an amount equal to the principal amount of the Loan, that Agency's Deed of Trust constitutes a third lien or charge upon the Property and Improvements subject only to such items as shall have been approved by Agency. There must be no exceptions permitted for mechanics liens. Title insurance for the Loan must be issued by a title insurer approved by Agency.
31. ORGANIZATIONAL AGREEMENTS: Borrower must submit to Agency certified copies of all of Borrower's organizational documents, including all amendments, modifications or terminations: if a corporation, Borrower's Articles of Incorporation and By-Laws; if a partnership, its Partnership Agreement and, as applicable, Certificate of Limited Partnership or Statement of Partnership; if a Limited Liability Company, its Articles of Organization and its Operating Agreement; and in all cases with all exhibits and amendments to such documents, fictitious business name statements, other related filings or recorded documents and such related documents as Agency may request. If it is a corporation, Borrower must submit a corporate borrowing resolution referencing this Loan. If Borrower is other than a corporation, Borrower must submit such proof of authority to enter this Loan as may be required under the organizational documents.
32. PURCHASE OF PROPERTY: Borrower shall provide Agency with copies of all documents relating to Borrower's purchase of the Property.
33. FINANCIAL INFORMATION: During the term of the Loan, Borrower shall deliver to Agency within 120 days of the end of each fiscal year an audited income and expense statement, a balance sheet, and a statement of all changes in financial position signed by authorized officers of Borrower. Prior to close of the Loan and during its term, Borrower must deliver to Agency such additional financial information as may be requested by Agency. Agency reserves the right to review and approve financial statements and other credit information and references prior to closing. During the term of the Loan, Borrower must deliver to Agency a monthly rent-roll including household composition information and operating statements with respect to the Property and Improvements, as Agency may request.
34. MANAGEMENT AGREEMENT: Prior to execution, Borrower must submit to Agency any agreement providing for the management or operation of the Property or Improvements by a third party which agreement is subject to Agency Approval.
35. RESIDENT SERVICES AGREEMENT: Prior to execution, Borrower must submit to Agency any agreement providing for the resident services by a third party which agreement is subject to Agency Approval. The agreement must include a minimum of ten (10) hours per week of on-site resident services.

36. LOW INCOME HOUSING TAX CREDITS (LIHTC): Borrower represents that as a condition of closing this Loan it is applying for an allocation of LIHTC's and agrees to perform all actions and to meet all requirements to maintain the LIHTC allocation if granted.
37. SMOKE-FREE ENVIRONMENT: At least 50% of the units must be smoke free. All indoor common areas must be smoke-free.
38. DOCUMENTATION: This letter is not intended to describe all of the requirements, terms, conditions and documents for the Loan, which shall also include customary provisions and documents for an Agency transaction of this type. All documents to be delivered to or approved by Agency must be satisfactory to Agency in all respects. Borrower must promptly deliver to Agency any further documentation that may be required by Agency.
39. CONSISTENCY OF DOCUMENTS: As a material obligation under this commitment letter, Borrower shall assure that the loan documents for the Project are consistent with lender's commitment approved by the Agency and comply, in all respects, with this commitment letter.
40. CHANGES OR AMENDMENTS: No documents or contracts which are to be delivered to Agency or are subject to Agency's review or approval shall be modified or terminated without the prior written approval of Agency.
41. ACCEPTANCE OF THIS COMMITMENT: Borrower's acceptance of this Commitment shall be evidenced by signing and delivering to Agency the enclosed copy of this letter. Until receipt of such acceptance by Agency, Agency shall have no obligation under this letter. Agency may withdraw this commitment at any time prior to Borrower's acceptance.

Sincerely,

La Shelle Dozier
Executive Director

The undersigned acknowledges and accepts the foregoing Commitment and its terms and conditions.

Dated: December 6, 2016

BORROWER:

Bel-Vue Apartments L.P., a California limited partnership
(CFY Development, Inc., or related entity)

By: _____
Ali Youssefi

RESOLUTION NO. 2016-_____

Adopted by the Housing Authority of the City of Sacramento

on date of

BEL-VUE APARTMENTS: A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO DECLARING INTENTION TO REIMBURSE EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS AND DIRECTING CERTAIN ACTIONS

BACKGROUND

- A. The Housing Authority of the City of Sacramento (Authority) intends to issue tax-exempt obligations (Obligations) for the purpose, among other things, of making a loan to Bel-Vue Apartments, L.P., a California limited partnership, or a limited partnership or a limited liability company related to or formed by CFY Development, Inc. (Developer), the proceeds of which shall be used by the Developer to finance the acquisition, rehabilitation and development of a 22-unit multifamily housing residential facility to be located at 1123 8th Street, Sacramento, California (Project).
- B. United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, among which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer must declare an intention to reimburse such expenditure.
- C. It is in the public interest and for the public benefit that the Authority declare its official intent to reimburse the expenditures referenced herein.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. The Housing Authority of the City of Sacramento intends to issue the Obligations for the purpose of paying the costs of financing the acquisition, rehabilitation and development of the Project.
- Section 2. The Authority hereby declares that it reasonably expects that a portion of the proceeds of the Obligations will be used for reimbursement of expenditures for the acquisition, rehabilitation and development of the Project that are paid before the date of initial execution and delivery of the Obligations.
- Section 3. The maximum amount of proceeds of the Obligations to be used for reimbursement of expenditures for the acquisition, rehabilitation and development of the Project that are paid before the date of initial execution and delivery of the Obligations is not to exceed \$4,500,000.

Section 4. The foregoing declaration is consistent with the budgetary and financial circumstances of the Authority in that there are no funds (other than proceeds of the Obligations) that are reasonably expected to be (i) reserved, (ii) allocated or (iii) otherwise set aside, on a long-term basis, by or on behalf of the Authority, or any public entity controlled by the Authority, for the expenditures for the acquisition, rehabilitation and development of the Project that are expected to be reimbursed from the proceeds of the Obligations.

Section 5. The Developer shall be responsible for the payment of all present and future costs in connection with the issuance of the Obligations, including, but not limited to, any fees and expenses incurred by the Authority in anticipation of the issuance of the Obligations, the cost of printing any official statement, rating agency costs, bond counsel fees and expenses, underwriting discount and costs, trustee fees and expense, and the costs of printing the Obligations. The payment of the principal, redemption premium, if any, and purchase price of and interest on the Obligations shall be solely the responsibility of the Developer. The Obligations shall not constitute a debt or obligation of the Authority.

Section 6. The appropriate officers or the staff of the Authority is hereby authorized, for and in the name of and on behalf of the Authority, to make an application to the California Debt Limit Allocation Committee for an allocation of private activity bonds for the financing of the Project.

Section 7. The adoption of this Resolution shall not obligate (i) the Authority to provide financing to the Developer for the acquisition, rehabilitation and development of the Project or to issue the Obligations for purposes of such financing; or (ii) the Authority, or any department of the Authority or the City of Sacramento to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, rehabilitation, development or operation of the Project.

Section 8. This resolution shall take effect immediately upon its adoption.

RESOLUTION NO.

Adopted by the Housing Authority of the City of Sacramento

On date of

BEL-VUE APARTMENTS: APPROVAL OF \$600,000 IN HOUSING SUCCESSOR FUNDS; DELEGATION TO THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (AGENCY); RELATED BUDGET AMENDMENT; AND ENVIRONMENTAL FINDINGS

BACKGROUND

- A. Bel-Vue Apartments L.P. (CFY Development, Inc.) (Developer) has applied for an allocation of \$600,000 in Home Investment Partnership Program (HOME) funds, \$2,100,000 in Housing Trust Fund (HTF) funds and \$600,000 in Housing Successor Funds to assist in funding the acquisition, rehabilitation and permanent financing of the currently vacant, 22-unit Bel-Vue Apartments.
- B. Bel-Vue is consistent with: a) the Agency’s previously approved Multifamily Lending and Mortgage Revenue Bond Policies, priority 4. Rehabilitation and new production (Resolution No. 2009-148); b) the 2013-2021 Housing Element, which encourages the provision of a variety of quality housing types to encourage neighborhood stability, including options for extremely low-income households (Resolution No. 2013-415); c) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263); and d) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by year 2025 (Resolution No. 2015-282).
- C. The project has been determined to be categorically exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301(a), “Existing Facilities” and Section 15331 “Historic Resource Rehabilitation.”
- D. The project has been reviewed for compliance with the National Environmental Policy Act (NEPA) will be categorically excluded subject to §58.5 pursuant to 24 CFR §58.35(a)(3)(ii) . NEPA review will be completed prior to project funding.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY RESOLVES AS FOLLOWS:

Section 1. All of the evidence having been duly considered, the facts as presented and stated above, including the environmental facts and findings, as stated above, are found to be true and correct.

Section 2. The Loan Commitment for financing the Project with \$600,000 in Housing Successor Funds is approved, and the Agency is delegated authority to execute and transmit the Loan Commitment to Bel-Vue Apartments L.P. (CFY Development, Inc.) or related entity.

Section 3. The Agency is authorized to enter into and execute other documents, as approved to form by Agency Counsel, and perform other actions necessary to fulfill the intent of the Loan Commitment to ensure proper repayment of the Agency funds including without limitation, subordination (because it is found that that an economically feasible alternative method of financing the project on substantially comparable terms and conditions without subordination is not reasonably available), and extensions consistent with Agency adopted policy and with this resolution.

Section 4. The Housing Authority is authorized to amend its budget to receive up to \$600,000 in Housing Successor Funds for the Bel-Vue Project from the Sacramento Housing and Redevelopment Agency.